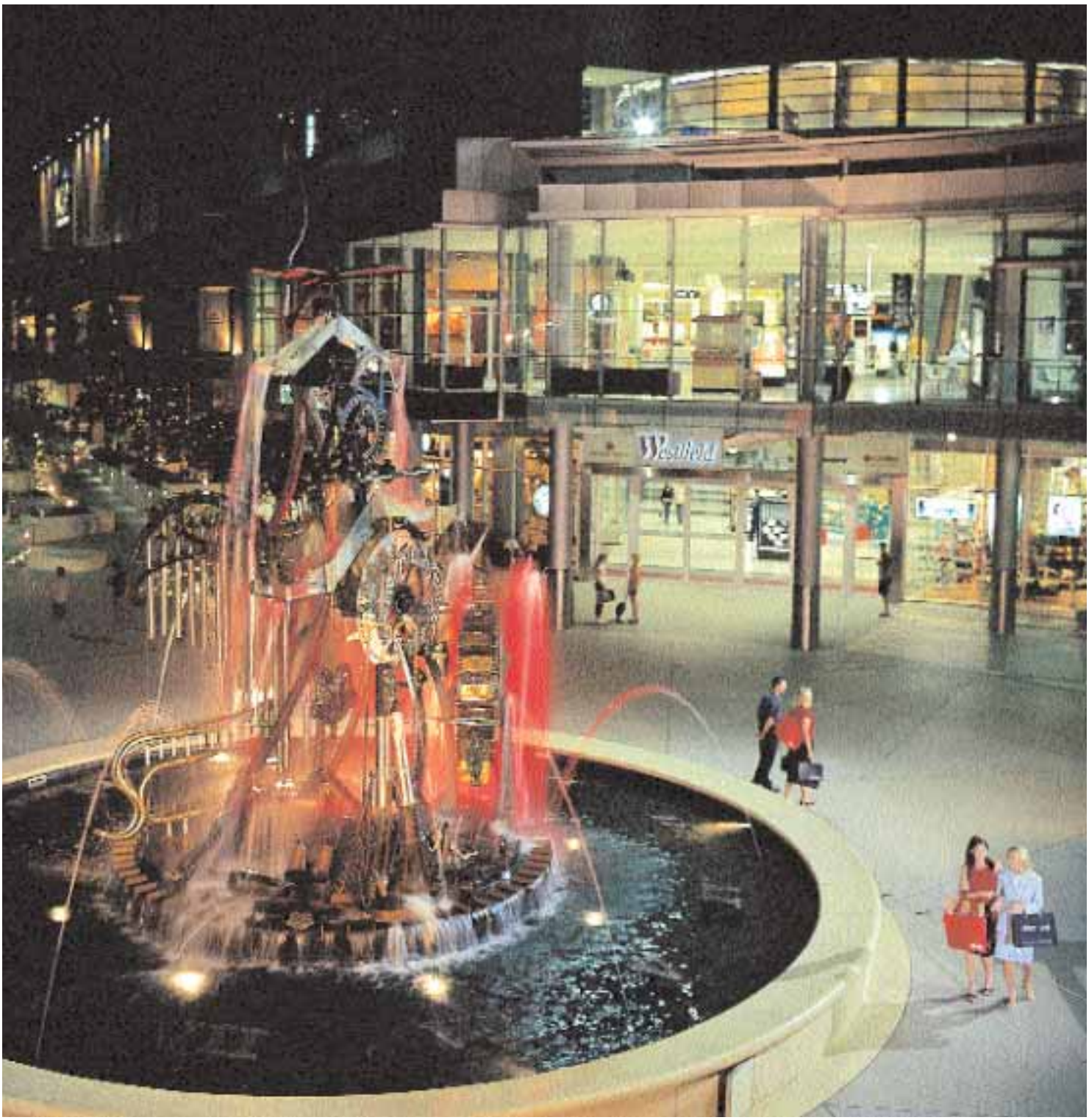
ANNUAL REPORT **2001**

Westfield Trust



Front and inside cover: Westfield Hornsby, Sydney

Westfield Trust is Australia's largest listed property trust with a market capitalisation of $6.8 billion and total assets valued at $9 billion at 31 December 2001.

The Westfield Trust portfolio in Australia and New Zealand features 7,500 retailers in 40 shopping centres, with 29 located across Australia and 11 in New Zealand.

These shopping centres occupy 2.3 million square metres of retail space and, in 2001, hosted 355 million customer visits, generating $9.4 billion in retail sales.

Since its listing in 1982, Westfield Trust has achieved a compound annual rate of return of 16.54% compared with the Australian Stock Exchange Property Trust Index return of 14.21% and the Australian Stock Exchange All Ordinaries Index return of 15.20%.

The Trust's investment policy is to own and continually improve its portfolio of quality shopping centres in order to provide secure income streams and capital growth for its unit holders.

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WESTFIELD AUSTRALIA

PERTH
Carousel
Galleria
Innaloo

ADELAIDE
Arndale
Marion
Tea Tree Plaza

MELBOURNE
Airport West
Doncaster
Fountain Gate
Southland

CANBERRA
Belconnen

SYDNEY & REGIONS
Bondi Junction
Burwood
Centrepoint
Chatswood
Figtree
Hornsby
Hurstville
Liverpool
Miranda
Mount Druitt
North Rocks
Parramatta
Tuggerah
Warrawong

BRISBANE
Carindale
Chermside
Strathpine
Toombul

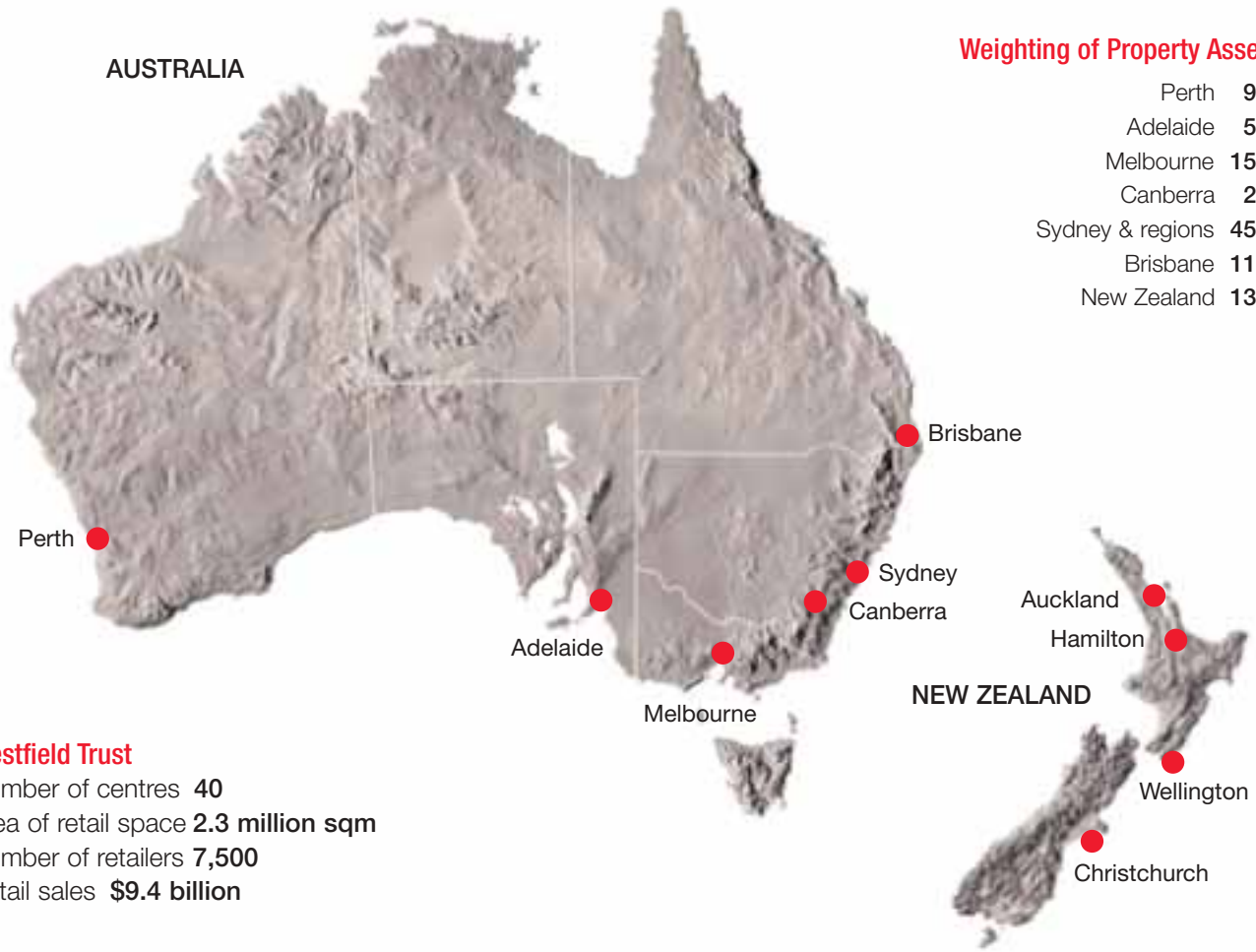
NEW ZEALAND

AUCKLAND
Downtown
Glenfield
Manukau
Pakuranga
Shore City
St Lukes
WestCity

WELLINGTON
Johnsonville
Queensgate

HAMILTON
Chartwell

CHRISTCHURCH
Riccarton



Weighting of Property Assets

Perth	**9%**
Adelaide	**5%**
Melbourne	**15%**
Canberra	**2%**
Sydney & regions	**45%**
Brisbane	**11%**
New Zealand	**13%**

Westfield Trust

Number of centres **40**
Area of retail space **2.3 million sqm**
Number of retailers **7,500**
Retail sales **$9.4 billion**

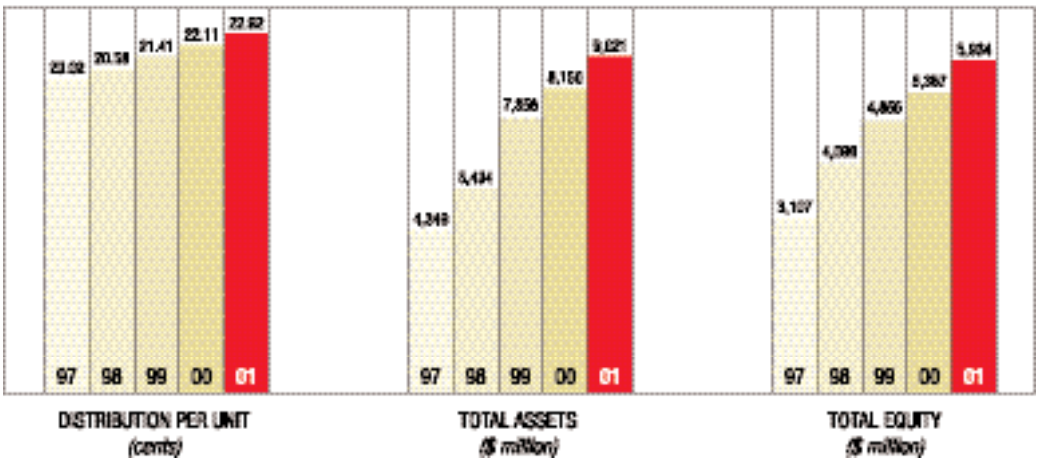
Financial Highlights

TEN YEAR HISTORY

	2001 $ million	2000 $ million	1999 $ million	1998 $ million	1997 $ million	1996 $ million	1995 $ million	1994 $ million	1993 $ million	1992 $ million
Total Assets	9,020.9	8,149.5	7,356.3	5,434.0	4,348.8	3,868.1	2,956.3	2,586.8	2,212.8	1,836.3
Total Equity	5,934.0	5,367.4	4,855.3	4,095.7	3,107.0	2,870.2	2,620.2	2,093.3	1,822.3	1,657.5
Total Distribution	433.2	388.4	330.7	263.5	240.8	222.7	187.6	158.6	140.5	129.0
No. of Units on Issue (million)	1,978	1,851	1,657	1,486	1,241	1,173	1,060	929	785	721
Distribution per Unit	22.92c	22.11c	21.41c	20.58c	20.02c	19.60c	19.21c	19.02c	18.79c	18.77c
Net Asset Backing per Unit	$2.95	$2.85	$2.72	$2.57	$2.49	$2.45	$2.47	$2.43	$2.32	$2.30
Number of Unit Holders	41,200	39,400	37,900	37,200	38,500	36,163	33,950	32,100	30,200	28,700

FINANCIAL HIGHLIGHTS

	Year Ended 31 December 2001 $ million	Year Ended 31 December 2000 $ million	% Change
Total Assets	9,020.9	8,149.5	10.7%
Total Equity	5,934.0	5,367.4	10.6%
Property Income	604.4	550.8	9.7%
Distribution to Unit Holders	433.2	388.4	11.5%
No. of Units on Issue (million)	1,978	1,851	6.9%
Net Asset Backing per Unit	$2.95	$2.85	3.5%
Distribution per Unit	22.92c	22.11c	3.7%
Tax Advantaged Portion	39.0%	14.1%	



Demand for space in the existing portfolio and new projects continued to be solid with occupancy levels in Australian and New Zealand shopping centres in excess of 99% of retail space.

Westfield Chermside, Brisbane

Year in Review

Westfield Shoppingtown WestCity, Auckland

Distribution to unit holders totalled $433.2 million for the year to 31 December 2001, an increase of 11.5% on last year. The result represents a distribution of 22.92 cents per unit, a 3.7% increase over last year's 22.11 cents per unit, with 39% of the distribution tax advantaged.

The growth in distribution reflects a number of factors, including existing centre income growth, contributions from recently completed developments as well as a number of property transactions.

The assets of Westfield Trust totalled $9.0 billion at 31 December 2001, up 10.7% from $8.1 billion last year. Total unit holders' equity is $5.9 billion, up 10.6% from $5.4 billion last year.

The Trust's net asset backing increased by 3.5%, from $2.85 per unit at December 2000 to $2.95 per unit at December 2001, largely due to revaluations of a number of the Trust's shopping centres.

Six Australian shopping centres and seven New Zealand shopping centres were revalued during the year. Full details are shown on the table for shopping centre revaluation movements on page 7.

Despite softer conditions, demand for space in the existing portfolio and new projects continued to be solid with occupancy levels in Australian and New Zealand shopping centres in excess of 99% of retail space.

HIGHLIGHTS OF THE YEAR

Australia

Retail sales at Westfield shopping centres in Australia totalled $8.5 billion, up 6.9% for the 12 months to 31 December 2001.

On a comparable basis, retail sales increased by 1.0%, with specialty store sales up 1.2%.

It was a difficult year in which to gauge the trend of retail sales, with the continuing impact of the introduction of the GST on consumer spending patterns, the worldwide reaction to the September 11 terrorist attacks in the United States and the subsequent economic uncertainty.

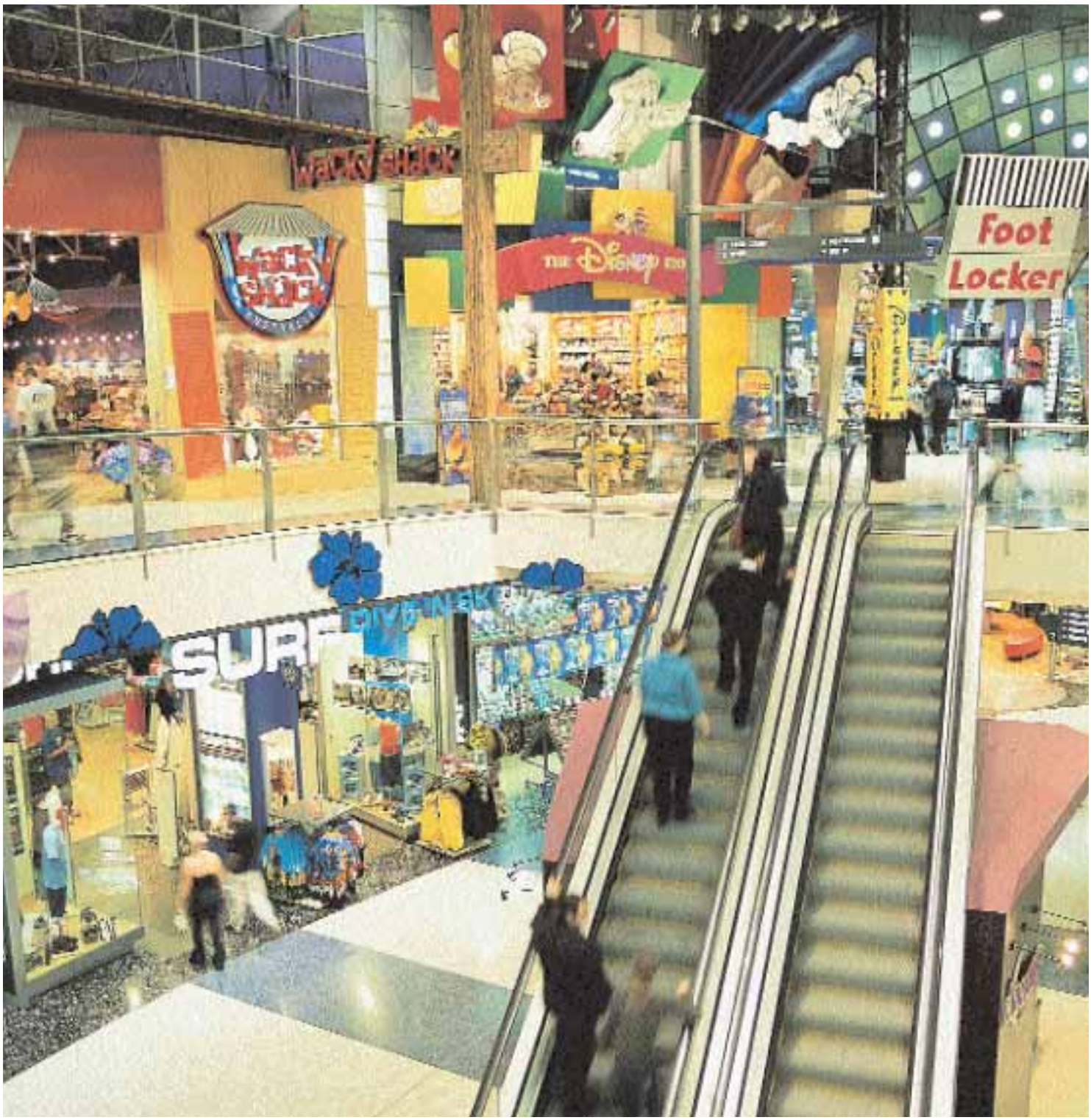
However, in late 2001 and early 2002 signs were emerging that the expected slump in retail sales might not be as prolonged or as widespread as first thought.

Softer conditions were experienced generally in department stores and the fashion category, although department store sales appeared to recover somewhat in the second six months. Food retailing and most other categories of general retail continued to perform satisfactorily.

Sales in recently completed redevelopments continue to grow and further demonstrate the benefits of the Trust's redevelopment program with strong sales increases, particularly during the Christmas period, recorded at Burwood in Sydney, Chermside and Carindale in Brisbane, Carousel in Perth and Southland in Melbourne.

Of particular note is the continuing strong performance of cinemas in Westfield centres around Australia. Westfield was one of the leaders in introducing cinemas to shopping centres in the 1980s and continued to build upon this in the 1990s with the introduction of entertainment and lifestyle precincts.

Year in Review



Westfield Southland, Melbourne

SHOPPING CENTRE REVALUATION MOVEMENTS

REVALUATIONS FOR THE TWELVE MONTHS TO 31 DECEMBER 2001

	New Valuation $M	Previous Book Value $M	Revaluation Increment $M	New Cap Rate %	Previous Cap Rate %
Australian Shopping Centres					
Fountain Gate	420.0	391.4	28.6	7.25%*	8.00%
Hornsby	530.0	488.3	41.7	7.25%	N/A
Hurstville	181.0	157.5	23.5	7.75%	7.75%
North Rocks	51.5	48.7	2.8	10.50%	10.50%
Strathpine	173.0	172.5	0.5	8.25%	8.25%
Tuggerah	245.0	208.9	36.1	7.50%	7.75%
Retail Component, Bulky goods at 10%					
New Zealand Shopping Centres					
Chartwell	49.3	43.7	5.6	10.375%	10.50%
Glenfield	115.4	107.0	8.4	8.75%	N/A
Manukau	141.2	129.3	11.9	9.375%	9.63%
Pakuranga	55.3	61.2	(5.9)	10.00%	10.25%
Riccarton	128.9	114.4	14.5	8.75%	8.75%
Shore City	69.6	67.3	2.3	10.00%	9.50%
WestCity	130.5	126.4	4.1	8.75%	9.25%

More recently this trend led to the introduction of Westfield's signature entertainment and lifestyle offer - *The Street, which* integrates state-of-the-art cinemas with cafés, restaurants and lifestyle retailers. *The Street* has been a critical factor in attracting customers to the centres "after hours", allowing them to browse for books and music, enjoy a meal or movie and shop at other retail outlets in the centre.

The success of Westfield's strategy of introducing evermore sophisticated lifestyle and entertainment facilities is underpinned by the performance of the cinemas, with 11 of the top 30 highest-grossing cinema complexes in Australia located in Westfield centres, including at the recently redeveloped Carousel, Chermside, Southland, Burwood, Fountain Gate and Hornsby.

Two major redevelopment projects costing approximately $573 million were launched late last year: Hornsby in Sydney and Fountain Gate in Melbourne.

As a result, Westfield Hornsby now features two department stores (Grace Bros and David Jones), two discount department stores, two supermarkets, 317 specialty stores, a Greater Union cinema complex and the first Gowings store outside the Sydney CBD. Another feature includes the entertainment facilities with *The Street* integrated with the town square, enhancing the appeal of the centre as a community focal point.

Westfield Fountain Gate now features three discount department stores, three supermarkets, 230 specialty stores and a Village-10 cinema complex together with Westfield's signature entertainment and leisure precinct *The Street*.

At Fountain Gate, *The Street* engages the City of Casey civic precinct which includes Council Chambers, a library and a new $17 million aquatic centre.

Both projects were completed successfully and featured a total of 550 new retailers, including 93 retailers who had not previously leased space in a Westfield shopping centre.

A total of 1,231 new leases were finalised during the year with 186 retailers leasing shops in Westfield centres for the first time.

In December 2001, Westfield Trust and AMP completed a $555 million, three-property transaction involving Westfield Trust's purchase of the 50% interest in the Bondi Junction shopping centre it did not already own, the acquisition by Westfield Trust of the Centrepoint complex in Sydney from AMP and the sale to AMP of a 50% interest in Liverpool, with Westfield Trust retaining the other 50%.

Planning for the $675 million redevelopment of Bondi Junction in Sydney (now wholly owned by Westfield Trust) is now well advanced and scheduled to commence in the first half of 2002.

Year in Review

Westfield Shoppingtown St Lukes, Auckland

During the year, two major retailers, Franklins and Harris Scarfe, underwent changes in ownership. As a result, new leasing arrangements have been finalised in those centres affected, ensuring the income stream and quality of the retail offer is maintained.

New Zealand

A major focus for Westfield Trust's New Zealand operations is the NZ$1 billion redevelopment program. The first two developments in this program, the NZ$100 million development of Glenfield opened in 2000 and the NZ$80 million redevelopment of WestCity opened in 2001.

Westfield Trust is putting in place the building blocks for long-term growth for unit holders through its redevelopment program, branding, management and leasing strategies.

Construction has recently commenced on the redevelopment of the St Lukes shopping centre in Auckland, which is already New Zealand's premier shopping centre and the flagship of the Westfield Trust New Zealand portfolio. The centre will be improved through the introduction of a new 8-screen cinema complex and entertainment precinct and an extended mix of fashion and lifestyle brands. The total cost of the project will be approximately NZ$55 million and is due for completion in the first half of 2003.

Planning is well underway for the redevelopment of Queensgate in Wellington and is due to commence in the second half of 2002.

Retail sales for the year at Westfield shopping centres in New Zealand were NZ$1.35 billion, representing an increase of 5.4%. On a comparable basis, sales increased by 0.9%. Specialty store sales were up 1% on a comparable basis.

Income Distribution

The total distribution for the year ended 31 December 2001 was 22.92 cents per unit, a 3.7% increase over last year's 22.11 cents per unit.

The tax advantaged component of the distribution is approximately 39% due to depreciation and other allowances.

The distribution for the six months to 31 December 2001 of 11.50 cents per unit was paid on 28 February 2002 to unit holders as at the record date of 15 February 2002.

No income tax is payable on the tax advantaged component of the distribution. However, there may be capital gains tax consequences in the event of any sale of units. Unit holders should seek professional taxation advice in this regard.

Outlook

In November 2001, given the softer retail conditions prevailing at that time, Directors indicated that distribution growth per unit in 2002 would be approximately 2%.

However, given recent signs of improvement emerging in retail conditions and the underlying strength of the Westfield Trust portfolio and, as previously announced on 31 January 2002, Directors now anticipate distribution growth per unit for 2002 to be approximately 2.75%.

Westfield Fountain Gate, Melbourne

Centrepoint Tower, Sydney

Major Acquisitions

Long-term partners in shopping centre ownership, AMP Henderson Global Investors and Westfield Trust, completed a $555 million transaction during the period involving three key properties in NSW.

Under the terms of the agreement:

- Westfield Trust acquired a 50% interest in the Westfield Bondi Junction shopping centre from AMP Statutory Fund No 1 for $122 million;
- Westfield Trust sold a 50% interest in Westfield Liverpool in Sydney to AMP Statutory Fund No 1 for $180 million, with the Trust retaining the other 50%; and
- Westfield Trust acquired the Centrepoint complex in the Sydney CBD from AMP Life's Statutory Fund No 1 for $252.8 million.

The Centrepoint complex is one of Sydney's best-located and busiest retail centres adjacent to Pitt Street Mall, Market Street and Castlereagh Street with both the David Jones and Grace Bros city stores acting as virtual anchor tenants.

Centrepoint Tower is also a major tourist attraction and Australia's tallest building standing at 305 metres, providing thousands of tourists each year with spectacular 360-degree views of Sydney.

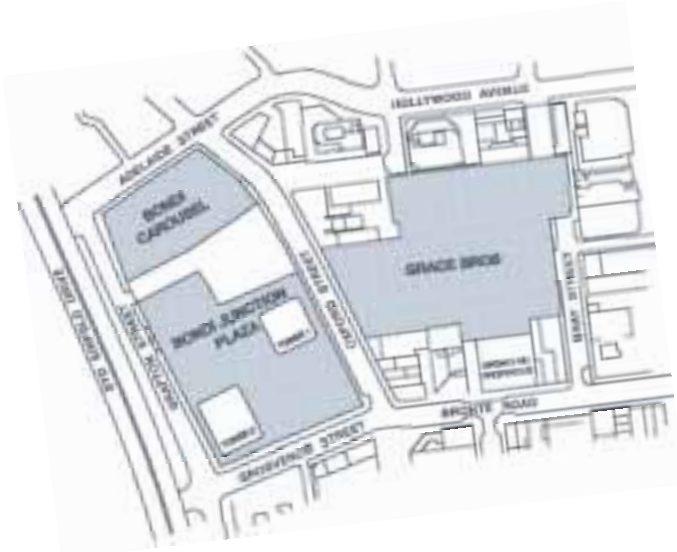
The tower component comprises restaurants and sky tours, while the office component comprises 27,800 square metres over 10 levels, occupied mostly by the Australian Taxation Office on a long-term lease.

Since the acquisition of the Centrepoint complex, Westfield has introduced its traditional branding to the 13,000 square metre retail area which houses approximately 145 retail stores.

Over time, Westfield aims to significantly improve the appearance and ambience of the Centrepoint complex and through redevelopment, improve the retail mix, generating a stronger income stream from the property.

The total capital outflow for Westfield Trust as a result of the three transactions, including costs, was approximately $210 million. This was funded by an equity issue to institutions of $200 million which was underwritten by UBS Warburg and Deutsche Bank, and the balance by debt.

The three-property transaction with AMP Henderson Global Investors is expected to have a positive effect on distributions in 2002 and beyond.



Future Developments

Top Left: A site map of the Bondi Junction area showing the three retail sites, Bondi Junction Plaza, Bondi Carousel, and the Grace Bros store which will be consolidated into one world-class shopping centre. Above: Artist's impression of the new Westfield Bondi Junction, Sydney

The acquisition of the remaining 50% interest in Westfield Bondi Junction by Westfield Trust has increased its investment in the centre in time for a redevelopment expected to start in early 2002.

The Bondi Junction redevelopment will consolidate three existing retail sites into one, world-class shopping centre to serve the high-income and under-served trade area in the eastern suburbs of Sydney. The centre will feature the latest in retail and entertainment, including new David Jones and Grace Bros department stores, Coles and Woolworths supermarkets, a Target discount department store and a Greater Union cinema complex anchoring a state-of-the-art entertainment and lifestyle precinct.

On completion, the centre will comprise approximately 100,000 square metres of retail space and is expected to rank among the top centres in the country.

Planning is also well underway for the redevelopment of Doncaster in Melbourne, Liverpool in Sydney and Innaloo in Perth. In addition, plans are being finalised for the construction of a new shopping centre at North Lakes in Brisbane. The total cost of these projects is estimated at $500 million.

Westfield Trust Portfolio

Westfield Shoppingtown	Location	Acquisition Date	Westfield Trust Equity and Partner	Cost Plus Subsequent Capital Expenditure $ Million	Book Value $ Million
Airport West	Melbourne	June 1982	100%	126.2	155.7
Arndale	Adelaide	June 1987	50% with CFM	47.2	44.5
Belconnen	Canberra	March 1986	50% with CFM	83.8	165.2
Bondi Junction	Sydney	November 1994/May 1998/ December 2001	100%	178.8	200.4
Burwood	Sydney	September 1992	100%	370.6	410.5
Carindale	Brisbane	December 1999	** 50% Carindale Property Trust	224.9	224.9
Carousel	Perth	April 1996	100%	341.5	360.6
Centrepoint	Sydney	December 2001	100%	267.1	267.1
Chatswood	Sydney	November 1993	100%	384.1	477.4
Chermside	Brisbane	December 1996	100%	367.2	383.1
Doncaster	Melbourne	March 1993/April 1997	100%	308.1	328.5
Figtree	Wollongong	June 1982	100%	31.1	53.3
Fountain Gate	Melbourne	July 1995/December 1997	100%	386.7	420.0
Galleria	Perth	December 1996	100%	312.8	337.1
Hornsby	Sydney	June 1982/July 1996	100%	487.5	530.0
Hurstville	Sydney	May 1988	50% with Deutsche Asset Management	125.2	181.1
Innaloo	Perth	December 1996	100%	53.5	57.6
Liverpool	Sydney	June 1983	50% with AMP	119.5	161.2
Marion	Adelaide	June 1987	50% with CFM	185.0	250.3
Miranda	Sydney	June 1982	50% with Deutsche Asset Management	197.5	276.3
Mt Druitt	Sydney	December 2000	50% with Deutsche Asset Management	118.7	118.7

Australia

Cap Rate %	Latest Valuation Date	Retail Sales $ Million	Lettable Area Sq M	No. of Retailers	Major Retailers and Special Features
8.75%	June 2000	191.8	54,570	164	Kmart, Target, Harris Scarfe, Coles, Bi-Lo, Village 8-Cinema Complex
10.0%	December 2000	135.5	40,353	114	Harris Scarfe, Big W, Woolworths, Bi-Lo, Greater Union 8-Cinema Complex
8.25%	June 2000	352.2	75,911	206	Grace Bros, Kmart, Coles, Woolworths, Hoyts 10-Cinema Complex,
9.0%/10.5%***	December 2000	233.9	63,887 23,980	126 86	David Jones, Grace Bros, Woolworths, Cinema, Office towers
7.25%	December 2000	281.0	64,424	239	Grace Bros, Target, Kmart, Coles, Woolworths, Greater Union 12-Cinema Complex, Restaurant and Leisure Precinct
7.50%	June 1999	412.9	112,849	280	David Jones, Myer, Target, Big W, Woolworths, Action, Birch Carroll & Coyle 8-Cinema Complex
7.50%	June 1999	325.6	84,924	247	Myer, Kmart, Woolworths, Coles, Hoyts 14-Cinema Complex, Restaurant and Leisure Precinct
8.25%	October 2001	104.2	48,347	145	Offices, Links to Grace Bros & David Jones, Centrepoint Tower
7.25%	December 1999	320.1	53,796	293	Links to Grace Bros, Target, Food for Less, Hoyts 6-Cinema Complex, Restaurant and Leisure Precinct
7.50%	December 1999	328.9	78,551	256	Myer, Target, Kmart, Coles, Bi-Lo, Birch Carroll & Coyle 16-Cinema Complex, Restaurant and Leisure Precinct
7.50%	June 2000	313.8	56,617	210	Myer, Kmart, Coles, Safeway, Village Twin Cinema
10.50%	June 2000	121.0	20,324	81	Kmart, Coles, Woolworths
7.25%*	December 2001	# 327.0	118,460	305	Target, Kmart, Big W, Coles, Safeway, Bi-Lo, Village 10-Cinema Complex, Restaurant and Leisure Precinct
7.50%	October 1999	310.7	74,928	232	Myer, Target, Kmart, Woolworths, Coles, Greater Union 8-Cinema Complex
7.25%	December 2001	# 256.7	96,769	322	Grace Bros, David Jones, Target, Kmart, Woolworths, Coles, Greater Union 9-Cinema Complex, Restaurant and Leisure Precinct
7.75%	June 2001	298.8	63,602	239	Grace Bros, Target, Kmart, Coles, Food for Less, Greater Union 8-Cinema Complex
10.75%	December 1999	110.7	26,573	85	Coles, Target, Kmart
7.50%	September 1999	286.9	69,305	220	Grace Bros, Target, Woolworths, Coles, Greater Union 12-Cinema Complex
7.25%	December 2000	467.4	118,864	304	Myer, David Jones, Target, Kmart, Big W, Woolworths, Coles, Harris Scarfe, Greater Union 30-Cinema Megaplex, Restaurant and Leisure Precinct
7.25%	March 1999	532.3	108,580	336	Grace Bros, David Jones, Big W, Target, Woolworths, Franklins, Greater Union 8-Cinema Complex
8.00%	September 2000	256.7	68,674	187	Grace Bros, Kmart, Woolworths, Coles, Bi-Lo, Hoyts 8-Cinema Complex

Westfield Trust Portfolio

Westfield Shoppingtown	Location	Acquisition Date	Westfield Trust Equity and Partner	Cost Plus Subsequent Capital Expenditure $ Million	Book Value $ Million
North Rocks	Sydney	June 1982	100%	25.1	51.9
Parramatta	Sydney	March 1993/December 1999	100%	697.1	748.7
Southland	Melbourne	February 1988	50% with AMP	257.8	346.5
Strathpine	Brisbane	May 1985/April 1996	100%	132.7	173.0
Tea Tree Plaza	Adelaide	February 1988	50% with AMP	106.4	162.9
Toombul	Brisbane	June 1982	100%	89.8	192.0
Tuggerah	Central Coast, NSW	August 1994	100%	181.9	245.0
Warrawong	Wollongong	June 1988	100%	115.0	112.8
				6,322.8	7,436.3

* *Retail component bulky goods at 10.0%.*
** *Westfield Trust's interest in Carindale is through 50% ownership of the Carindale Property Trust.*
*** *Bondi Junction combines both Bondi Junction Plaza (9.0%) and Bondi Carousel (10.5%).*
\# *Reflects part year sales only.*

Westfield Shoppingtown	Location	Acquisition Date	Westfield Trust Equity and Partner	Cost Plus Subsequent Capital Expenditure $ Million	Book Value $ Million
Chartwell	Hamilton	December 1998	100%	41.7	49.3
Downtown	Auckland	December 1998	100%	32.2	32.3
Glenfield	Auckland	December 1998	100%	107.2	115.6
Johnsonville	Wellington	December 1998	50% with Tower Properties	10.7	10.7
Manukau	Auckland	December 1998/July 2001	100%	124.7	141.2
Pakuranga	Auckland	December 1998	100%	60.8	55.3
Queensgate	Wellington	April 1999	100%	90.5	90.5
Riccarton	Christchurch	December 1998	100%	93.8	128.9
Shore City	Auckland	December 1998	100%	65.7	69.9
* St Lukes	Auckland	December 1998	100%	167.1	177.1
WestCity	Auckland	December 1998	100%	125.1	130.7
				919.5	1,001.5

* *Centre under development.*
\# *Reflects part year sales only.*

Australia

Cap Rate %	Latest Valuation Date	Retail Sales $ Million	Lettable Area Sq M	No. of Retailers	Major Retailers and Special Features
10.50%	June 2001	93.1	21,192	87	Kmart, Coles, Franklins
7.00%	September 1999	536.1	123,766	391	Grace Bros, David Jones, Target, Kmart, Woolworths, Coles, Village 8-Cinema Complex
7.25%	June 2000	548.5	132,014	402	Myer, David Jones,Target, Big W, Kmart, Coles, Safeway, Bi-Lo, Harris Scarfe, Village 16-Cinema Complex, Restaurant and Leisure Precinct
8.25%	December 2001	187.1	46,177	159	Myer, Big W, Woolworths, Action, Birch Carroll & Coyle 8-Cinema Complex
7.75%	December 2000	315.0	83,588	218	Myer, Big W, Target, Kmart, Woolworths, Coles, Bi-Lo, Mega Frrresh, Hoyts 9-Cinema Complex
8.50%	December 2000	200.3	46,049	172	David Jones, Kmart, Coles, Bi-Lo Mega Frrresh, Birch Carroll & Coyle 8-Cinema Complex
7.50%	December 2001	268.2	59,090	159	David Jones, Big W, Target, Woolworths, Coles, Greater Union 8-Cinema Complex, Restaurant and Leisure Precinct
10.50%	December 2000	169.4	40,271	128	Kmart, Big W, Coles, Woolworths, Hoyts 6-Cinema Complex
		8,285.8	2,076,435	6,393	

New Zealand

Cap Rate %	Latest Valuation Date	Retail Sales NZ$ Million	Lettable Area Sq M	No. of Retailers	Major Retailers and Special Features
10.375%	September 2001	89.6	14,325	85	Farmers and Foodtown
9.63%	June 2000	52.3	13,706	79	The Warehouse, Rendells
8.75%	June 2001	163.8	30,030	127	Farmers, The Warehouse, Foodtown, Woolworths
11.00%	June 2000	33.6	6,281	60	Link to Countdown Supermarket
9.375%	September 2001	175.6	32,198	136	Farmers, Foodtown
10.00%	September 2000	90.3	16,881	80	Farmers, Foodtown
N/A	June 2000	126.9	20,911	77	Farmers, Foodtown, Radfords
8.75%	September 2001	202.7	29,440	103	Farmers, Kmart, Pak'n Save
10.00%	June 2001	75.4	14,255	78	Farmers
8.50%	June 2000	222.6	33,522	130	Farmers, Kmart, Foodtown
8.75%	June 2001	#113.4	29,768	145	Farmers, Big Fresh, Village Force 8-Cinema Complex, Restaurant and Leisure Precinct
		1,346.2	241,317	1,100	

Board of Directors

Frank P Lowy, AC
Chairman

Frederick G Hilmer, AO
Deputy Chairman

David H Lowy
Deputy Chairman

Robert A Ferguson

David M Gonski

Stephen P Johns

Peter S Lowy

Steven M Lowy

Dean R Wills, AO

Carla M Zampatti, AM

Frank P Lowy, AC
Chairman

Frank Lowy is Executive Chairman and co-founder of Westfield. He is a Member of the Board of the Reserve Bank of Australia and a Director of Daily Mail and General Trust plc (UK).

Stephen P Johns
Group Finance Director

Appointed as an Executive Director in 1985, Stephen Johns holds a Bachelor of Economics degree from the University of Sydney and is an Associate of the Institute of Chartered Accountants in Australia. He joined Westfield in 1970 and became Finance Director of Westfield in 1985 and Group Finance Director in 1997. Stephen Johns is also a member of the Council of Governors of Ascham School and a Director of Ascham Foundation Limited.

Frederick G Hilmer, AO
Deputy Chairman

Appointed as a Non-Executive Director in 1991 and Non-Executive Deputy Chairman in 1997, Frederick Hilmer holds degrees in Law from the Universities of Sydney and Pennsylvania and an MBA from the Wharton School of Finance at the University of Pennsylvania. He is Chief Executive Officer of John Fairfax Holdings Ltd. Prior to joining Fairfax, he was Dean and Professor of Management at the Australian Graduate School of Management at the University of NSW and has served on the Boards of a number of leading companies. He is Chairman of the Audit and Compliance Committee.

Peter S Lowy
Managing Director

Appointed as an Executive Director in 1987, Peter Lowy holds a Bachelor of Commerce degree from the University of NSW. Prior to joining Westfield in 1983, he worked in investment banking in the US and UK. He has resided in the US since 1990 and was appointed Managing Director in 1997. He is a member of the Board of Directors for the Association of Foreign Investment and Real Estate and serves on the Board of Governors for the National Association of Real Estate Investment Trusts.

David H Lowy
Deputy Chairman

Appointed Non-Executive Deputy Chairman in June 2000, David Lowy holds a Bachelor of Commerce degree from the University of NSW. He joined Westfield in 1977 and spent a number of years working for the Group in the US. David Lowy was appointed Executive Director in 1982 and then Managing Director in 1987, a position he held until June 2000. David Lowy is a Principal of LFG Holdings. He is a member of the President's Council of the Children's Hospital at Westmead and is Founder and President of Temora Aviation Museum.

Steven M Lowy
Managing Director

Appointed as an Executive Director in 1989, Steven Lowy holds a Bachelor of Commerce (Honours) degree from the University of NSW. Prior to joining Westfield in 1987, he worked in investment banking in the US. In 1997, he was appointed Managing Director. He is a Director of the Victor Chang Cardiac Research Institute.

Robert A Ferguson

Appointed as a Non-Executive Director in 1994, Robert Ferguson holds an Honours Degree in Economics from the University of Sydney and is an Associate of the Securities Institute of Australia. He is Chairman of Vodafone Pacific Ltd and Nextgen Networks Pty Ltd and a Director of BT Financial Group Pty Ltd.

Dean R Wills, AO

Appointed as a Non-Executive Director in 1994, Dean Wills is Chairman of Transfield Services Ltd, Deputy Chairman of the Australian Grand Prix Corporation and a Director of John Fairfax Holdings Limited and Australia Business Arts Foundation.

David M Gonski

Appointed as a Non-Executive Director in 1985, David Gonski holds degrees in law and commerce. He is Chairman of Investec Australia Ltd and Coca-Cola Amatil Ltd and a Director of John Fairfax Holdings Ltd and Australia and New Zealand Banking Group Ltd. He is President of the Art Gallery of New South Wales Trust and Chairman of the National Institute of Dramatic Art. He is a member of the Audit and Compliance Committee.

Carla M Zampatti, AM

Appointed as a Non-Executive Director in 1997, Carla Zampatti is Executive Chairman of the Carla Zampatti Group. She is Chairman of the Special Broadcasting Service (SBS), a Director of McDonald's Australia Ltd, Australian Graduate School of Management and a Trustee of the Sydney Theatre Company Foundation Trust.

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Statement of Financial Performance and Statement of Distribution

for the year ended 31 December 2001	Note 1(xiii)	Consolidated 2001 $M	Consolidated 2000 $M	Parent Entity 2001 $M	Parent Entity 2000 $M
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue from ordinary activities					
Rental and other property income		781.5	710.4	383.8	368.9
Interest income		3.3	4.9	7.8	9.2
Distribution from controlled entities		–	–	259.5	213.2
Revenues from trading activities		784.8	715.3	651.1	591.3
Revenue in respect of asset sales	18	180.8	300.0	342.4	300.0
Total revenue from ordinary activities		965.6	1,015.3	993.5	891.3
Expenses from ordinary activities					
Rates, taxes & other property outgoings	14	230.2	203.3	104.7	100.3
Auditors' remuneration	17	0.8	0.8	0.5	0.5
Custodian and trustee fees		0.4	0.6	0.4	0.5
Legal fees		1.4	2.3	0.9	1.8
Manager's service charge		21.9	17.0	21.2	16.2
Other expenses		2.8	3.4	2.6	2.9
Expenses from trading activities		257.5	227.4	130.3	122.2
Costs of asset sales	18	173.5	230.2	335.1	230.2
Total expenses from ordinary activities excluding borrowing costs		431.0	457.6	465.4	352.4
Less: Borrowing costs expense	15	140.5	122.0	87.6	80.7
Share of equity accounted joint ventures' net profit	25(ii)	52.7	43.4	–	–
Net profit from ordinary activities before income tax		446.8	479.1	440.5	458.2
Less: New Zealand income tax		0.5	0.6	–	–
Net profit from ordinary activities after income tax		446.3	478.5	440.5	458.2
Less: Net profit attributable to outside equity interest		5.8	20.3	–	–
Net profit attributable to Members of Westfield Trust	10	440.5	458.2	440.5	458.2
Increase in asset revaluation reserve	9	156.4	126.4	156.4	123.9
Net exchange difference on translation of self-sustaining operations	9	–	(2.5)	–	–
Total revenues, expenses and valuation adjustments attributable to Members of Westfield Trust and recognised directly in equity		156.4	123.9	156.4	123.9
Total changes in equity other than those resulting from transactions with owners as owners	11	596.9	582.1	596.9	582.1
STATEMENT OF DISTRIBUTION					
Net profit attributable to Members of Westfield Trust	10	440.5	458.2	440.5	458.2
Transfer to capital profits reserve	9	(7.3)	(69.8)	(7.3)	(69.8)
Distribution paid/payable	10	433.2	388.4	433.2	388.4
Distribution per unit (cents)		22.92	22.11	22.92	22.11
Basic earnings per unit (cents)					
– from trading activities	12	22.92	22.11	22.92	22.11
– from asset sales	12	0.39	3.97	0.39	3.97
– from ordinary activities	12	23.31	26.08	23.31	26.08

Statement of Financial Position

as at 31 December 2001	Note 1(xiii)	Consolidated 2001 $M	Consolidated 2000 $M	Parent Entity 2001 $M	Parent Entity 2000 $M
CURRENT ASSETS					
Cash assets		49.7	60.3	29.4	33.6
Receivables	2	19.9	25.1	12.2	22.1
Other financial assets	3	20.5	14.5	30.4	26.6
Total current assets		90.1	99.9	72.0	82.3
NON-CURRENT ASSETS					
Receivables	2	–	–	267.2	–
Investments	4	8,285.8	7,302.2	7,747.9	7,035.6
Investments accounted for using the equity accounted method	25(iii)	645.0	747.4	–	–
Total non-current assets		8,930.8	8,049.6	8,015.1	7,035.6
Total assets		9,020.9	8,149.5	8,087.1	7,117.9
CURRENT LIABILITIES					
Payables	6	428.9	439.1	364.5	407.1
Interest-bearing liabilities	7	–	3.2	–	–
Total current liabilities		428.9	442.3	364.5	407.1
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	7	2,658.0	2,339.8	1,880.2	1,435.0
Total non-current liabilities		2,658.0	2,339.8	1,880.2	1,435.0
Total liabilities		3,086.9	2,782.1	2,244.7	1,842.1
NET ASSETS		5,934.0	5,367.4	5,842.4	5,275.8
EQUITY INTERESTS					
Parent entity interest					
Contributed equity	8	4,575.0	4,172.1	4,575.0	4,172.1
Reserves	9	1,267.4	1,103.7	1,267.4	1,103.7
Retained profits	10	0.0	0.0	0.0	0.0
Equity attributable to the Members of Westfield Trust		5,842.4	5,275.8	5,842.4	5,275.8
Outside equity interest in controlled entities					
Contributed equity		91.6	91.6	–	–
Reserves		–	–	–	–
Retained profits		–	–	–	–
Total outside equity interest		91.6	91.6	–	–
TOTAL EQUITY INTERESTS	11	5,934.0	5,367.4	5,842.4	5,275.8

Statement of Cash Flows

for the year ended 31 December 2001	Note 1(xiii)	Consolidated 2001 $M	Consolidated 2000 $M	Parent Entity 2001 $M	Parent Entity 2000 $M
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations (including GST)		840.9	731.6	414.6	382.7
Payments in the course of operations (including GST)		(270.4)	(249.4)	(159.4)	(137.6)
Distributions received from controlled entities		–	–	260.9	196.5
Distributions received from equity accounted joint ventures	25(ii)	52.7	43.4	–	–
Interest received		3.1	4.9	7.8	9.1
New Zealand taxes paid		(0.4)	(0.7)	–	–
Goods and Services Tax (paid)/received for investing activities		(41.3)	(4.5)	5.3	11.5
Goods and Services Tax (paid to)/received from government bodies		(16.1)	11.4	(43.9)	7.9
Net cash provided by operating activities	22(ii)	568.5	536.7	485.3	470.1
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property investments		(859.2)	(689.9)	(876.2)	(898.4)
Purchase of outside equity interest in the St Lukes Group		–	(302.9)	–	–
Proceeds from the sale of property investments		180.8	300.0	342.4	462.5
Payments for investments in equity accounted joint ventures		(12.1)	(143.3)	–	–
Net cash used in investing activities		(690.5)	(836.1)	(533.8)	(435.9)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest-bearing liabilities – proceeds		495.2	265.3	358.8	(145.0)
Repayment of borrowings		(180.8)	–	(180.8)	–
Borrowing costs paid		(182.7)	(157.6)	(118.5)	(115.4)
Distributions paid		(418.1)	(355.3)	(418.1)	(355.3)
Dividends and distributions paid by controlled entities to outside equity interests		(5.1)	(21.3)	–	–
Issue of capital (net of costs)		402.9	577.8	402.9	577.8
Net cash provided by/(used in) financing activities		111.4	308.9	44.3	(37.9)
NET INCREASE/(DECREASE) IN CASH ASSETS		(10.6)	9.5	(4.2)	(3.7)
CASH ASSETS AT THE BEGINNING OF THE YEAR		60.3	50.7	33.6	37.3
Exchange gain/(loss) on cash balance brought forward at the beginning of the year		–	0.1	–	–
CASH ASSETS AT THE END OF THE YEAR	22(i)	49.7	60.3	29.4	33.6

Notes to the Financial Statements

for the year ended 31 December 2001

Note 1. Statement of Principal Accounting Policies

(i) Basis of preparation

The Financial Report is a General Purpose Financial Report which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cwlth), applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The Financial Report has been prepared on the basis of historical cost accounting, except for property investments which are revalued at intervals of not more than three years.

The accounting policies adopted are, in all material respects, consistent with those applied in the previous year except as otherwise stated.

(ii) Principles of consolidation

The Financial Report includes the results, assets and liabilities of the Parent Entity, Westfield Trust (**"Trust"**), its controlled entities, proportionally consolidated joint ventures and equity accounted joint ventures.

The Trust, its controlled entities and proportionally consolidated joint ventures are collectively referred to as the **"Group"**. The Group and equity accounted joint ventures are referred to as the **"Economic Entity"**.

The Group has significant co-ownership interests in a number of properties. These interests are held jointly as tenant in common or through 50% ownership interests in property trusts and companies. The Group's proportionate share in the income and expenditure and of the assets and liabilities of property interests held as tenant in common have been included in their respective classifications in these Financial Statements.

Where entities adopt accounting policies, which differ from those of the Parent Entity, adjustments have been made so as to ensure consistency with the Parent Entity and compliance with applicable Australian Accounting Standards. All inter-entity balances and transactions and unrealised profits arising from intra-economic entity transactions have been eliminated in full.

The names of the controlled entities, proportionally consolidated joint ventures, and equity accounted joint ventures, and the Economic Entity's beneficial interests therein are set out in Note 26.

(iii) Property investments

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof including integral plant and equipment, are not depreciated.

Property investments are revalued at intervals of not more than three years. Such valuations are reflected in the Financial Statements. In determining the value, the capitalisation of net income method and the discounting of future net cash flows to their present value have been used.

At each reporting date, the carrying value of each class of asset is assessed. Where the carrying value materially differs from fair value, an adjustment is made as appropriate. In determining net fair value the capitalisation of net income method is used.

(iv) Properties subject to development

Amounts capitalised to properties subject to development include the cost of acquisition, development costs, rates, taxes and financing charges during development net of sundry income.

(v) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the Economic Entity are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the entities within the Economic Entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the period.

Translation of financial reports of foreign entities

The statement of financial position of self-sustaining foreign operations is translated at exchange rates ruling at balance date and the statement of financial performance is translated at average exchange rates for the period. Exchange differences arising on translation of the interest in self-sustaining foreign operations are taken directly to the foreign currency translation reserve. On consolidation, exchange differences on loans denominated in foreign currencies which hedge net investments in self-sustaining foreign operations are taken directly to the foreign currency translation reserve.

The statement of financial position and the statement of financial performance of integrated foreign operations are translated at historical exchange rates. On consolidation, exchange differences arising on translation of foreign monetary items of integrated foreign operations are taken directly to the statement of financial performance.

(vi) Income tax

Under current Income Tax Legislation, the Trust is not liable to Australian income tax, including capital gains tax, provided it distributes its Net Accounting Income, as defined in the Constitution, to Members. The Group's New Zealand controlled entities are subject to New Zealand tax on their earnings. Dividends paid by those entities to the Trust are subject to New Zealand dividend withholding tax.

Under current Australian Income Tax Legislation, members of the Trust may be entitled to receive a foreign tax credit for New Zealand withholding tax paid by the Trust. No New Zealand withholding tax was paid in the year to 31 December 2001.

Notes to the Financial Statements

Note 1. Statement of Principal Accounting Policies
continued

(vii) Revenue

Revenue from rents and other property income is brought to account on an accruals basis, and if not received at balance date, is reflected in the statement of financial position as receivables. Percentage rent is brought to account on an accruals basis. Recoveries from tenants are recognised as income in the period the applicable costs are accrued. Profits from the sale of property investments are recognised upon settlement and after contractual duties are completed.

(viii) Expenditure

Expenditure, including rates, taxes and other outgoings, is brought to account on an accruals basis.

(ix) Cash flows

For purposes of the statement of cash flows, cash assets includes cash on hand and at bank, short-term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts.

(x) Borrowing costs expense

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in Note 1(iv). Borrowing costs include:

(i) interest on bank overdrafts and short and long term borrowings;

(ii) ancillary costs incurred in connection with the arrangement of borrowings; and

(iii) net receipts and payments in relation to interest rate swaps and hedges.

(xi) Derivatives and other financial instruments

The Economic Entity's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors of the Responsible Entity in respect of the usage of derivative and other financial instruments to hedge those cash flows which are subject to interest rate and currency risks. In conjunction with its advisers, the Trust continually reviews its exposures and updates its treasury policies and procedures. The Economic Entity does not trade in derivative financial instruments for speculative purposes.

Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Bank loans, bank bills, commercial paper and medium term notes

Bank loans, bank bills, commercial paper and medium term notes are carried at face value or at fair value at the time of acquisition. Interest is brought to account on an accruals basis.

Interest rate swaps

The Economic Entity enters into interest rate swap agreements with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the statement of financial performance on an accruals basis over the life of the hedges. Details are set out in Note 24.

Cross currency swaps and forward exchange contracts

The Economic Entity enters into cross currency swap agreements and forward exchange contracts where it agrees to buy or sell specified amounts of foreign exchange at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuations in respect of a portion of its foreign currency denominated liabilities and future earnings. The value of cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedge relates. Details are set out in Note 24.

(xii) Comparative figures

Where appropriate, certain comparative figures have been restated in order to comply with the presentation of the current period Financial Statements.

(xiii) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Statements have been rounded to the nearest one-tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

(xiv) Segment Reporting

The Trust has adopted the revised accounting standard AASB 1005 on segment reporting.

for the year ended 31 December 2001

	Note 1(xiii)	Consolidated 2001 $M	Consolidated 2000 $M	Parent Entity 2001 $M	Parent Entity 2000 $M
Note 2. Receivables					
Current					
Trade debtors		3.2	5.9	0.4	1.2
Provision for doubtful debts		(0.7)	(0.5)	0.0	0.0
		2.5	5.4	0.4	1.2
Other debtors		17.4	19.7	11.8	20.9
		19.9	25.1	12.2	22.1
Non-current					
Loans to controlled entity		–	–	267.2	–
		–	–	267.2	–
Note 3. Other Financial Assets					
Amounts due from controlled entities		–	–	13.9	15.5
Prepayments		20.5	14.5	16.5	11.1
		20.5	14.5	30.4	26.6
Note 4. Investments					
Shopping centre investments, based on independent valuations and acquisition costs as appropriate	5	7,809.7	6,574.2	3,351.6	3,347.8
Properties subject to development		476.1	728.0	78.4	188.4
		8,285.8	7,302.2	3,430.0	3,536.2
Investment in controlled entities at Responsible Entity's valuation based on underlying net asset value		–	–	4,317.9	3,499.4
		8,285.8	7,302.2	7,747.9	7,035.6
Movement in investments					
Balance at the beginning of the year		7,302.2		7,035.6	
Acquisition of property investments/controlled entities		457.2		618.8	
Asset sales		(162.2)		(323.8)	
Additions including work in progress		408.7		260.9	
Adjustment due to consolidation of previously equity accounted joint venture entity		123.5		–	
Increment on revaluation of non-current assets		156.4		156.4	
Balance at the end of the year		8,285.8		7,747.9	

Notes to the Financial Statements

Note 5. Details of Shopping Centre Investments

Shopping Centres	Title	Consolidated or Equity Accounted Interest %	Ownership Interest %	Original Purchase Date	Total Original Acquisition Cost $M	Capital Expenditure Since Acquisition $M	Latest Independent Valuation Date	Latest Independent Valuation $M	Capital Expenditure Since Valuation $M	Book Value $M
Australia										
Airport West	Freehold	100	100	30-06-82	13.5	112.7	30-06-00	155.0 (iii)	0.7	155.7
Arndale	Freehold	50	50	30-06-87	34.9	12.3	31-12-00	44.0 (ix)	0.5	44.5
Belconnen	Crown Lease	50	50	26-03-86	44.5	39.3	30-06-00	165.0 (viii)	0.2	165.2
Bondi Junction	Freehold	100	100	11-94/05-98	75.8	3.1	31-12-00	99.8 (ix)	100.6	200.4
	Freehold	100	100	07-12-01	99.9					
Burwood	Freehold	100	100	30-09-92	68.6	302.0	31-12-00	410.0 (ix)	0.5	410.5
Carindale	Freehold	50	25	21-12-99	223.5	1.4	30-06-99	223.5 (i)	1.4	224.9
Carousel	Freehold	100	100	16-04-96	130.2	211.3	30-06-99	355.0 (viii)	5.6	360.6
Centrepoint	Freehold	100	100	07-12-01	267.1	–	31-10-01	252.8 (vii)	14.3	267.1
Chatswood	Freehold	100	100	30-11-93	158.9	225.2	31-12-99	475.0 (viii)	2.4	477.4
Chermside	Freehold	100	100	23-12-96	126.8	240.4	31-12-99	380.0 (i)	3.1	383.1
Doncaster	Freehold	100	100	03-93/04-97	292.1	16.0	30-06-00	327.8 (iii)	0.7	328.5
Figtree	Freehold	100	100	30-06-82	12.2	18.9	30-06-00	53.0 (vi)	0.3	53.3
Fountain Gate	Freehold	100	100	07-95/12-97	186.4	200.3	31-12-01	420.0 (vi)	–	420.0
Galleria	Freehold	100	100	03-12-96	301.9	10.9	08-10-99	335.0 (viii)	2.1	337.1
Hornsby	Freehold	100	100	06-82/07-96	92.8	394.7	31-12-01	530.0 (vi)	–	530.0
Hurstville	Freehold/Leasehold	50	50	24-05-88	44.4	80.8	30-06-01	181.0 (ix)	0.1	181.1
Innaloo	Freehold	100	100	23-12-96	52.6	0.9	23-12-99	57.0 (viii)	0.6	57.6
Liverpool	Freehold	50	50	03-06-83	11.9	107.6	30-09-99	160.0 (ii)	1.2	161.2
Marion	Freehold	50	50	30-06-87	62.2	122.8	31-12-00	250.0 (iv)	0.3	250.3
Miranda	Freehold	50	50	30-06-82	17.4	180.1	31-03-99	275.0 (ii)	1.3	276.3
North Rocks	Freehold	100	100	30-06-82	17.1	8.0	30-06-01	51.5 (vi)	0.4	51.9
Parramatta	Freehold	100	100	03-93/12-99	535.0	162.1	30-09-99	740.0 (viii)	8.7	748.7
Strathpine	Freehold	100	100	05-85/04-96	80.4	52.3	31-12-01	173.0 (i)	–	173.0
Toombul	Freehold	100	100	30-06-82	31.5	58.3	31-12-00	190.0 (vi)	2.0	192.0
Tuggerah	Freehold	100	100	31-08-94	176.7	5.2	31-12-01	245.0 (v)	–	245.0
Warrawong	Freehold	100	100	30-06-88	13.4	101.6	31-12-00	112.0 (vi)	0.8	112.8
Total consolidated Australian shopping centres					3,171.7	2,668.2		6,660.4	147.8	6,808.2
Equity accounted Australian shopping centres (Note 25(iii))										
Mt Druitt	Freehold	50	50	01-12-00	118.4	0.3	30-09-00	118.0 (ii)	0.7	118.7
Southland	Freehold	50	50	12-02-88	75.5	182.3	30-06-00	345.0 (viii)	1.5	346.5
Tea Tree Plaza	Freehold	50	50	12-02-88	60.5	45.9	31-12-00	162.5 (iv)	0.4	162.9
Total equity accounted Australian shopping centres					254.4	228.5		625.5	2.6	628.1
Total Australian shopping centre portfolio					3,426.1	2,896.7		7,285.9	150.4	7,436.3

for the year ended 31 December 2001

Note 5. Details of Shopping Centre Investments continued

Shopping Centres	Title	Consolidated or Equity Accounted Interest %	Ownership Interest %	Original Purchase Date	Total Original Acquisition Cost $M	Capital Expenditure Since Acquisition $M	Latest Independent Valuation Date	Latest Independent Valuation $M	Capital Expenditure Since Valuation $M	Book Value $M
New Zealand										
Chartwell	Freehold	100	100	14-12-98	40.7	1.0	30-09-01	49.3 (v)	–	49.3
Downtown	Freehold	100	100	14-12-98	28.3	3.9	30-06-00	30.7 (v)	1.6	32.3
Glenfield	Freehold	100	100	14-12-98	23.7	83.5	30-06-01	115.4 (x)	0.2	115.6
Johnsonville	Freehold/Leasehold	50	50	14-12-98	10.4	0.3	30-06-00	10.4 (v)	0.3	10.7
Manukau	Freehold/Leasehold	100	100	12-98/06-01	122.7	2.0	30-09-01	141.2 (v)	–	141.2
Pakuranga	Freehold	100	100	14-12-98	49.3	11.5	30-09-01	55.3 (v)	–	55.3
Queensgate	Freehold	100	100	30-04-99	88.8	1.7	30-06-00	89.2 (v)	1.3	90.5
Riccarton	Freehold	100	100	14-12-98	93.1	0.7	30-09-01	128.9 (v)	–	128.9
Shore City	Freehold	100	100	14-12-98	63.9	1.8	30-06-01	69.6 (x)	0.3	69.9
St Lukes	Freehold	100	100	14-12-98	167.4	(0.3)	30-06-00	176.5 (v)	0.6	177.1
WestCity	Freehold	100	100	14-12-98	61.0	64.1	30-06-01	130.5 (v)	0.2	130.7
Total New Zealand shopping centre portfolio					749.3	170.2		997.0	4.5	1,001.5
Total shopping centre portfolio					4,175.4	3,066.9		8,282.9	154.9	8,437.8
Classification of shopping centre portfolio										
Consolidated Australian shopping centres					3,171.7	2,668.2		6,660.4	147.8	6,808.2
Consolidated New Zealand shopping centres					749.3	170.2		997.0	4.5	1,001.5
Total consolidated shopping centres (Note 4)					3,921.0	2,838.4		7,657.4	152.3	7,809.7
Equity accounted shopping centres (Note 25(iii))					254.4	228.5		625.5	2.6	628.1
Total shopping centre portfolio					4,175.4	3,066.9		8,282.9	154.9	8,437.8

(i) As valued by CB Richard Ellis (B) Pty Limited.
(ii) As valued by CB Richard Ellis (N2) Pty Limited.
(iii) As valued by CB Richard Ellis (V) Pty Limited.
(iv) As valued by CB Richard Ellis (S) Pty Limited.
(v) As valued by CB Richard Ellis Limited.
(vi) As valued by Knight Frank.
(vii) As valued by DTZ Australia (NSW) Pty Ltd.
(viii) As valued by Stanton Hillier Parker (NSW) Pty Limited.
(ix) As valued by Stantons (NSW) Pty Limited.
(x) As valued by Colliers Jardine New Zealand Limited.

The shopping centres are independently valued using both the capitalisation of net income method and the discounting of future net cash flows to their present value. Capital expenditure since valuation includes purchases of sundry properties (and associated expenses such as stamp duty, legal fees, etc) and capital expenditure in respect of completed projects which has taken place since or has not been included in the latest independent valuation of the shopping centres.

Bondi Junction combines both the Bondi Junction shopping centre and the Bondi Carousel shopping centre.

Total acquisition costs include incidental costs of acquisition such as stamp duty.

Included in shopping centres and properties subject to development are accumulated holding charges incurred since last valuation of $18.2 million (2000: $37.1 million).

Notes to the Financial Statements

	Consolidated		Parent Entity	
	2001 $M	2000 $M	2001 $M	2000 $M
Note 6. Payables				
Trade creditors	82.7	55.7	14.9	25.3
Other creditors and accruals	124.2	176.8	130.4	177.7
Distribution payable to Members	219.2	204.1	219.2	204.1
Dividends and distributions payable to outside equity interests	2.8	2.5	–	–
	428.9	439.1	364.5	407.1
Note 7. Interest-Bearing Liabilities				
Current				
Bank loans	–	3.2	–	–
	–	3.2	–	–
Non-current				
Bank loans	904.9	926.8	260.0	55.0
Bills payable	–	15.0	–	15.0
Commercial paper	620.0	795.0	620.0	795.0
Medium term notes	1,040.0	570.0	820.0	570.0
Other instruments – secured (i)	93.1	33.0	–	–
Loans from controlled entity	–	–	180.2	–
	2,658.0	2,339.8	1,880.2	1,435.0

(i) These instruments are secured by registered mortgages and a fixed and floating charge over all assets and undertakings of certain properties.

Note 8. Contributed Equity				
Amount of units on issue				
Balance at the beginning of the year	4,172.1	3,594.3	4,172.1	3,594.3
DRP units (net of costs) issued during the year	204.9	198.5	204.9	198.5
Placement units (net of costs) issued during the year	198.0	379.3	198.0	379.3
Balance at the end of the year	4,575.0	4,172.1	4,575.0	4,172.1
Number of units on issue	**Units**	**Units**	**Units**	**Units**
Balance at the beginning of the year	1,851,190,483	1,657,154,286	1,851,190,483	1,657,154,286
DRP units issued during the year	65,703,961	66,392,801	65,703,961	66,392,801
Placement units issued during the year	60,975,610	127,643,396	60,975,610	127,643,396
Balance at the end of the year	1,977,870,054	1,851,190,483	1,977,870,054	1,851,190,483

On 19 November 2001, an underwritten placement of 60,975,610 fully paid ordinary units were issued at $3.28 per unit. These units rank for distribution from 1 January 2002. Under the Trust's Distribution Reinvestment Plan ("DRP"), 34,032,598 fully paid units were issued at $3.07 per unit on 28 February 2001 and 31,671,363 fully paid units were issued at $3.17 per unit on 31 August 2001. New DRP units rank for distribution from the first day of the month immediately following the month during which they were created. All units issued during the period were to fund acquisitions and extensions to shopping centres and other investments.

for the year ended 31 December 2001

	Consolidated		Parent Entity	
	2001 $M	2000 $M	2001 $M	2000 $M
Note 9. Reserves				
Asset revaluation reserve	1,085.2	928.8	1,066.0	909.6
Capital profits reserve	201.4	194.1	201.4	194.1
Foreign currency translation reserve	(19.2)	(19.2)	–	–
	1,267.4	1,103.7	1,267.4	1,103.7
MOVEMENT IN RESERVES				
Asset revaluation reserve				
(i) Nature and purpose of asset revaluation reserve				
The asset revaluation reserve is used to record revaluation increments and decrements in the value of non-current investments.				
(ii) Movement in reserve				
Balance at the beginning of the year	928.8	802.4	909.6	785.7
Increment on revaluation of non-current property investments	156.4	126.4	156.4	123.9
Balance at the end of the year	1,085.2	928.8	1,066.0	909.6
Capital profits reserve				
(i) Nature and purpose of capital profits reserve				
The capital profits reserve is used to record any profit or loss from the sale of non-current investments.				
(ii) Movement in reserve				
Balance at the beginning of the year	194.1	124.2	194.1	124.2
Transfer from the Statement of Distribution	7.3	69.9	7.3	69.9
Balance at the end of the year	201.4	194.1	201.4	194.1
Foreign currency translation reserve				
(i) Nature and purpose of foreign currency translation reserve				
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.				
(ii) Movement in reserve				
Balance at the beginning of the year	(19.2)	(16.7)	–	–
Exchange difference arising on translation of the financial statements of self-sustaining foreign operations	–	(2.5)	–	–
Balance at the end of the year	(19.2)	(19.2)	–	–

Notes to the Financial Statements

	Consolidated		Parent Entity	
	2001 $M	2000 $M	2001 $M	2000 $M
Note 10. Retained Profits				
Retained profits at the beginning of the year				
Net profit attributable to Members of Westfield Trust	440.5	458.2	440.5	458.2
Distributions paid/payable	(433.2)	(388.4)	(433.2)	(388.4)
Transfer to capital profits reserve	(7.3)	(69.8)	(7.3)	(69.8)
Retained profits at the end of the year	0.0	0.0	0.0	0.0
Note 11. Equity				
Total equity at the beginning of the year	5,367.4	4,855.3	5,275.8	4,504.2
Total changes in equity recognised in the statement of financial performance	596.9	582.1	596.9	582.1
Transactions with owners as owners				
Contributions of equity	402.9	577.9	402.9	577.9
Distributions paid/payable	(433.2)	(388.4)	(433.2)	(388.4)
Total changes in outside equity interest	–	(259.5)	–	–
Total equity at the end of the year	5,934.0	5,367.4	5,842.4	5,275.8
Note 12. Earnings per Unit				
Basic earnings per unit (cents)				
– from trading activities	22.92	22.11	22.92	22.11
– from asset sales	0.39	3.97	0.39	3.97
– from ordinary activities	23.31	26.08	23.31	26.08

Earnings per unit is calculated by dividing net profit attributable to Members of Westfield Trust by the weighted average number of Ordinary Units on issue during the year. The weighted average number of units used in the calculation of earnings per unit is 1,890,108,102 (2000: 1,755,937,095).

There are no potential dilutive ordinary units on issue.

	Consolidated		Parent Entity	
	2001 $	2000 $	2001 $	2000 $
Note 13. Net Asset Backing per Unit				
Net asset backing per unit ($)	2.95	2.85	2.95	2.85

Net asset backing is calculated by dividing the equity attributable to the Members of Westfield Trust by the number of Ordinary Units on issue. The number of units used in the calculation of net asset backing is 1,977,870,054 (2000: 1,851,190,483).

for the year ended 31 December 2001

	Consolidated		Parent Entity	
	2001 $M	2000 $M	2001 $M	2000 $M
Note 14. Rates, Taxes and Other Property Outgoings				
Rates, taxes and other property outgoings include the following charges:				
Property maintenance and repairs expense	17.8	13.9	8.7	6.1
Real estate management fees paid/payable to Associates of the Responsible Entity	40.9	37.2	17.5	17.1
Reimbursement of expenses paid/payable to Associates of the Responsible Entity	38.1	31.6	15.1	13.2
At 31 December 2001 management fees of $3.4 million (2000: $3.4 million) were payable.				
Note 15. Borrowing Costs Expense				
Total borrowing costs	172.6	165.7	116.8	119.6
Borrowing costs capitalised	(32.1)	(43.7)	(29.2)	(38.9)
Borrowing costs expense	140.5	122.0	87.6	80.7
Note 16. Capital Commitments and Contingent Liabilities				
Capital commitments contracted but not provided for:				
Due within one year	40.4	240.1	0.3	128.3
Due between one year and five years	–	22.5	–	–
Due after five years	–	1.0	–	–
	40.4	263.6	0.3	128.3
Lease commitments not provided for:				
Due within one year	0.7	0.4	–	0.2
Due between one year and five years	3.0	1.9	–	0.8
Due after five years	37.1	22.8	–	15.8
	40.8	25.1	–	16.8
Guarantees in the normal course of business	5.6	8.5	5.6	8.5

	Consolidated		Parent Entity	
	2001 $	2000 $	2001 $	2000 $
Note 17. Auditors' Remuneration				
Amounts paid or due and payable to Auditors of the Parent Entity for:				
– audit services ($)	641,267	693,766	424,378	457,983
– other services ($)	114,521	122,680	39,210	32,150
	755,788	816,446	463,588	490,133

Notes to the Financial Statements

	Consolidated 2001 $M	Consolidated 2000 $M	Parent Entity 2001 $M	Parent Entity 2000 $M
Note 18. Asset Sales				
Revenue in respect of asset sales	180.8	300.0	342.4	300.0
Book value of assets sold	(162.2)	(205.0)	(323.8)	(205.0)
Termination of interest rate swaps on the repayment of borrowings with the proceeds from the asset sales	(11.3)	(25.2)	(11.3)	(25.2)
Costs of asset sales	(173.5)	(230.2)	(335.1)	(230.2)
Net profit in respect of asset sales	7.3	69.8	7.3	69.8

Note 19. Leases

Substantially all of the property owned by the Economic Entity is leased to third party retailers under operating leases at 31 December 2001. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.

Future minimum rental revenues under non-cancelable operating leases at 31 December 2001 are as follows:

Due within one year	634.1	555.0	249.0	257.3
Due between one and five years	1,725.8	1,462.8	808.2	729.1
Due greater than five years	1,588.2	1,131.1	807.2	621.2
	3,948.1	3,148.9	1,864.4	1,607.6

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

Note 20. Segment Reporting

The Economic Entity operates predominantly in one business segment being the ownership of shopping centres.

Primary Segment: Investment in Shopping Centres

Financial details in respect of the primary segment are set out in the statement of financial performance, statement of distribution, statement of financial position, statement of cash flows and notes to the financial statements.

	Australia 2001 $M	Australia 2000 $M	New Zealand 2001 $M	New Zealand 2000 $M	Economic Entity 2001 $M	Economic Entity 2000 $M
Secondary Segment: Geographical						
Sales revenue	660.8	607.5	120.7	102.9	781.5	710.4
Revenue from asset sales	180.8	300.0	–	–	180.8	300.0
Share of equity accounted joint ventures' net profit	52.7	43.4	–	–	52.7	43.4
Total segment revenue	894.3	950.9	120.7	102.9	1,015.0	1,053.8
Segment assets	7,830.1	7,110.0	1,190.8	1,039.5	9,020.9	8,149.5
Acquisition of non-current segment assets	755.1	714.9	128.0	122.5	883.1	837.4

for the year ended 31 December 2001

Note 21. Related Party Transactions

Westfield Management Limited, being the Responsible Entity of the Trust, is considered to be a related party of the Economic Entity. The Manager's service charge payable to the Responsible Entity (**"Service Charge"**) and other amounts payable by the Economic Entity to the Responsible Entity and its Associates are based on normal commercial terms and are disclosed elsewhere in the Financial Report.

A Service Charge of $10.6 million (2000: $9.1 million) is accrued at 31 December 2001.

During the year, the Economic Entity entered into $132.2 million (2000: $94.8 million) of construction contracts in relation to the development and redevelopment of the Economic Entity's shopping centres with Associates of the Responsible Entity.

Amounts paid (excluding GST) to Associates of the Responsible Entity for project costs amounted to $381.2 million (2000: $562.3 million).

A Director related entity of Carla M Zampatti, AM, leased a retail shop from the Trust on normal commercial terms. An aggregate amount of $75,278 (2000: $74,893) was recognised as rental income under that lease.

	Consolidated		Parent Entity	
	2001 $M	2000 $M	2001 $M	2000 $M
Note 22. Notes to the Statement of Cash Flows				
(i) Components of cash				
Cash	34.8	33.6	16.2	11.6
Funds on deposit	14.9	26.7	13.2	22.0
	49.7	60.3	29.4	33.6
(ii) Reconciliation of cash flows from operating activities to operating profit				
Net cash provided by operating activities	568.5	536.7	485.3	470.1
Borrowing costs	(140.5)	(122.0)	(87.6)	(80.7)
Net profit in respect of Asset Sales	7.3	69.8	7.3	69.8
Increase/(Decrease) in other net assets attributable to operating activities	11.0	(6.0)	35.5	(1.0)
Net profit from ordinary activities after tax	446.3	478.5	440.5	458.2
(iii) Financing facilities				
Committed financing facilities available to the Economic Entity:				
Total financing facilities	3,107.3	2,740.3	1,810.0	1,840.0
Amounts utilised	2,658.0	2,343.0	1,700.0	1,435.0
Available financing facilities	449.3	397.3	110.0	405.0
Cash assets	49.7	60.3	29.4	33.6
Total available financing facilities and available cash	499.0	457.6	139.4	438.6
The maturity profiles in respect of the above financing facilities:				
Due within two years	979.2	750.0	450.0	550.0
Due between two and five years	2,128.1	1,990.3	1,360.0	1,290.0
	3,107.3	2,740.3	1,810.0	1,840.0

Notes to the Financial Statements

Note 23. Financial Instruments

Unhedged Foreign Currency Monetary Items

At 31 December 2001 net monetary liabilities denominated in New Zealand Dollars totaled NZ$4.0 million (2000: NZ$3.9 million).

Note 24. Derivative Financial Instruments

Interest rates

Interest rates for, and principal amounts of, fixed rate borrowings and derivative financial instruments for the hedging of interest rate exposures on a proportion of the Economic Entity's extant and anticipated future borrowings.

Hedging position as at	Average rate including margin	$M Principal amount
31 December 2001	7.46%	2,178.0
31 December 2002	7.28%	2,603.0
31 December 2003	7.38%	2,528.0
31 December 2004	7.32%	2,518.0
31 December 2005	7.28%	2,518.0
31 December 2006	7.32%	2,023.0
31 December 2007	7.09%	1,353.0
31 December 2008	7.20%	1,153.0
31 December 2009	7.12%	968.0
31 December 2010	6.58%	233.0

At 31 December 2001, the fair value compared to book value of the above borrowings and hedging arrangements amounted to a deficit of $79.3 million (2000: deficit $106.7 million).

Exchange rates	Australian $M principal amount	New Zealand $M principal amount
Cross-currency swaps to receive New Zealand dollars and pay Australian dollars. (Hedges the Group's NZ$ denominated borrowings and capital commitments) (i)	(205.5)	257.5
Forward exchange contracts to pay New Zealand dollars and receive Australian dollars. (Hedges a proportion of the Group's NZ$ denominated income to December 2005) (ii)	253.7	(321.4)

Exchange gains or losses in respect of the above currency hedge contracts compared to the balance date exchange rate of A$1.00 = NZ$1.2283 are recognised as part of the A$ amounts of the underlying assets and liabilities as recorded on the statement of financial position at the end of the period or in the revenue and expenses in the period to which they relate.

(i) The average exchange rate for the above contracts is A$1.00 = NZ$1.2533. The average exchange rate at 31 December 2001 for contracts with similar maturity profiles was $A1.00 = NZ$1.2283.

(ii) The average forward exchange rate for the above contracts is A$1.00 = NZ$1.2668. The average forward exchange rate at 31 December 2001 for contracts with similar maturity profiles was $A1.00 = NZ$1.2465.

Credit risks

The Economic Entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial instruments is the carrying amount of those financial instruments as indicated on the statement of financial performance.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 31 December 2001, the Group's maximum credit risk exposure in relation to these contracts was $3.3 million.

In accordance with the policies determined by the Board of the Responsible Entity, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments and fixed interest rate borrowings consist of a number of prime financial institutions.

for the year ended 31 December 2001

Note 25. Details of Equity Accounted Joint Ventures

Name	Type of equity	Ownership interest	Balance date	Net Assets 2001 $M	Net Assets 2000 $M
(i) Equity accounted joint venture trusts.					
Bondi Junction Trust	Units	50%	30 June	–	117.3
Mt Druitt Shopping Centre Trust	Units	50%	30 June	117.9	119.2
SA Shopping Centre Trust	Units	50%	31 December	15.4	15.3
Southland Trust	Units	50%	30 June	343.2	332.3
Tea Tree Plaza Trust	Units	50%	30 June	168.5	163.3
				645.0	747.4

	2001 $M	2000 $M
(ii) Details of the Group's aggregate share of equity accounted joint ventures net profit:		
Revenue from ordinary activities		
Rental and other property income	76.8	62.8
Total revenue from ordinary activities	76.8	62.8
Expenses from ordinary activities		
Rates, taxes and other property expenses	23.7	19.1
Auditors' remuneration	0.1	0.0
Borrowing costs expense	0.0	0.1
Other Expenses	0.3	0.2
Total Expenses from ordinary activities	24.1	19.4
Equity accounted joint ventures' net profit	52.7	43.4
(iii) Details of the Group's aggregate share of equity accounted joint ventures assets and liabilities:		
Current Assets		
Cash assets	2.9	4.2
Receivables and prepayments	2.5	3.6
	5.4	7.8
Non-Current Assets		
Shopping centres (Note 5)	628.1	726.4
Properties subject to development	25.6	33.3
	653.7	759.7
Current Liabilities		
Payables	14.1	20.1
	14.1	20.1
Net Assets	645.0	747.4

Notes to the Financial Statements

	2001 $M	2000 $M
Note 25. Details of Equity Accounted Joint Ventures continued		
(iv) Details of the Group's carrying value of investments in equity accounted joint ventures:		
Balance at the beginning of the year	747.4	564.5
Additions/(transfers) during the year	15.3	148.6
Adjustment due to consolidation of previously equity accounted joint venture entity	(117.8)	–
Share of net profit for the year	52.7	43.4
Distributions paid during the year	(52.7)	(43.4)
Increment on revaluation of non-current property investments	0.1	34.3
Balance at the end of the year	645.0	747.4
(v) Details of the Group's aggregate share of equity accounted joint ventures' asset revaluation reserve:		
Balance at the beginning of the year	166.8	132.5
Increment on revaluation of non-current assets	0.1	34.3
Adjustment to Asset Revaluation Reserve of consolidation of previously equity accounted joint venture entity	(21.7)	–
Balance at the end of the year	145.2	166.8

(vi) The Group's share of capital commitments of $0.6 million in respect of equity accounted joint ventures are, where applicable, included in Note 16.

for the year ended 31 December 2001

Note 26. Details of Controlled Entities, Proportionally Consolidated and Equity Accounted Joint Ventures

Name of Entity	2001 Interest Consolidated %	2001 Interest Beneficial %	2000 Interest Consolidated %	2000 Interest Beneficial %
Entities incorporated in Australia				
Parent Entity				
Westfield Trust	100.0	100.0	100.0	100.0
Consolidated Entities				
Bondi Junction Trust	100.0	100.0	–	–
Carindale Property Trust	100.0	50.0	100.0	50.0
Fountain Gate Trust	100.0	100.0	100.0	100.0
VIC Shopping Centre Trust	100.0	100.0	100.0	100.0
WD Trust	100.0	100.0	100.0	100.0
Westfield Chatswood Trust	100.0	100.0	100.0	100.0
Westfield Morley Trust	100.0	100.0	100.0	100.0
Westfield Northgate Trust	100.0	100.0	100.0	100.0
Westfield Number 2 Sub Trust	100.0	100.0	100.0	100.0
Westfield Number 3 Sub Trust	100.0	100.0	100.0	100.0
Westfield Number 4 Sub Trust	100.0	100.0	100.0	100.0
Westfield Number 5 Sub Trust (sold 7-12-01)	–	–	100.0	100.0
Westfield Shoppingtown Property Trust	100.0	100.0	100.0	100.0
Westfield Sub Trust No. 2	100.0	100.0	100.0	100.0
Westfield Tuggerah Trust	100.0	100.0	100.0	100.0
Westfield Sub Trust A	100.0	100.0	–	–
Westfield Sub Trust B	100.0	100.0	–	–
Westfield Sub Trust C	100.0	100.0	–	–
Westfield Sub Trust D	100.0	100.0	–	–
Westfield Sub Trust E	100.0	100.0	–	–
Westfield Sub Trust F	100.0	100.0	–	–
Westfield Sub Trust G	100.0	100.0	–	–
Equity Accounted Joint Ventures				
Bondi Junction Trust (now consolidated)	–	–	50.0	50.0
Mt Druitt Shopping Centre Trust	50.0	50.0	50.0	50.0
SA Shopping Centre Trust	50.0	50.0	50.0	50.0
Southland Trust	50.0	50.0	50.0	50.0
Tea Tree Plaza Trust	50.0	50.0	50.0	50.0
Proportionally Consolidated Joint Ventures				
Westfield Arndale	50.0	50.0	50.0	50.0
Westfield Belconnen	50.0	50.0	50.0	50.0
Westfield Carindale	50.0	25.0	50.0	25.0
Westfield Hurstville	50.0	50.0	50.0	50.0
Westfield Indooroopilly (sold 15-12-00)	–	–	50.0	50.0
Westfield Liverpool	50.0	50.0	50.0	50.0
Westfield Marion	50.0	50.0	50.0	50.0
Westfield Miranda	50.0	50.0	50.0	50.0
Westfield Parramatta	50.0	50.0	50.0	50.0

Notes to the Financial Statements

Note 26. Details of Controlled Entities, Proportionally Consolidated and Equity Accounted Joint Ventures continued

Name of Entity	2001 Interest Consolidated %	2001 Interest Beneficial %	2000 Interest Consolidated %	2000 Interest Beneficial %
Entities incorporated in New Zealand				
Consolidated Entities				
Westfield Trust (NZ) Limited (formerly Greenfields Holdings Ltd)	100.0	100.0	100.0	100.0
St Lukes Group Limited	100.0	100.0	100.0	100.0
St Lukes Group Holdings Limited	100.0	100.0	100.0	100.0
Albany Shopping Centre Limited	100.0	100.0	100.0	100.0
Albany Shopping Centre No 2 Limited	100.0	100.0	100.0	100.0
Cedarville Properties Limited	100.0	100.0	100.0	100.0
Chartwell Shopping Centre Limited	100.0	100.0	100.0	100.0
Downtown Shopping Centre Limited	100.0	100.0	100.0	100.0
Downtown Shopping Centre No 2 Limited	100.0	100.0	100.0	100.0
Glenfield Mall Limited	100.0	100.0	100.0	100.0
Johnsonville Shopping Centre Limited	100.0	100.0	100.0	100.0
Kroftfield Properties Limited	100.0	100.0	100.0	100.0
Manukau City Centre Limited	100.0	100.0	100.0	100.0
Petavid Limited	100.0	100.0	100.0	100.0
Queensgate Centre Limited	100.0	100.0	100.0	100.0
Redisville Enterprises Limited	100.0	100.0	100.0	100.0
Riccarton Shopping Centre (1997) Limited	100.0	100.0	100.0	100.0
Shore City Centre (1993) Limited	100.0	100.0	100.0	100.0
St Lukes Group No. 2 Limited	100.0	100.0	100.0	100.0
St Lukes Square (1993) Limited	100.0	100.0	100.0	100.0
The Plaza Pakuranga Limited	100.0	100.0	100.0	100.0
WestCity Shopping Centre Limited	100.0	100.0	100.0	100.0
Proportionally Consolidated Joint Ventures				
Johnsonville Shopping Centre	50.0	50.0	50.0	23.2
Westfield Shoppingtown Manukau (now consolidated)	–	–	50.0	23.2

Directors' Declaration

The Directors of Westfield Management Limited, the Responsible Entity of Westfield Trust (**"Trust"**), declare that:

(a) the Financial Statements of the Trust for the year ended 31 December 2001 (**"Financial Statements"**) and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Trust together with all entities it is required by the accounting standards to include in those statements;

(c) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and

(d) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cwlth), including sections 296 and 297

Made on 1 March 2002 in accordance with a resolution of the Board of Directors.

F P Lowy, AC

Chairman

S P Johns

Group Finance Director

Independent Audit Report

To the Members of Westfield Trust

Scope

We have audited the financial report of Westfield Trust ("the Trust") for the financial year ended 31 December 2001, comprising the Statement of Financial Performance and Statement of Distribution, Statement of Financial Position, Statement of Cash Flows, notes to the financial statements and the Directors' Declaration. The financial report includes the financial statements of Westfield Trust (the "Trust"), and the consolidated financial statements of the consolidated entity comprising the Trust and the entities it controlled at year's end or from time to time during the financial year. Westfield Management Limited's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Trust.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Trust's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

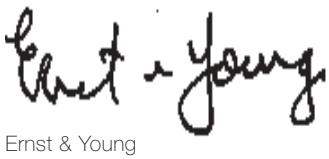
In our opinion, the financial report of Westfield Trust is in accordance with:

(a) the Corporations Act 2001 including:

  (i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 31 December 2001 and their performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.



Ernst & Young

B J Long
Partner

Sydney
1 March 2002

Directors' Report

The Directors of Westfield Management Limited, the Responsible Entity of Westfield Trust (**"Trust"**), submit the following Report for the year ended 31 December 2001.

Corporations Act 2001 (Cwlth) Section 299

(a) A review of the operations of the Trust during the financial year ended 31 December 2001 (**"Financial Year"**) and the results of those operations are set out in the Year in Review, at pages 5 to 8 (**"Review of Operations"**).

(b) There were no significant changes in the Trust's state of affairs during the Financial Year other than in connection with:

(i) the purchase by the Trust of the Centrepoint complex in Sydney and a 50% interest in the Bondi Junction shopping centre from AMP Life's Statutory Fund No. 1 on 7 December 2001, funded by the issue of $200 million of ordinary units in the Trust; and

(ii) the sale to AMP Life's Statutory Fund No. 1 of a 50% interest in Liverpool on 7 December 2001.

These transactions are described in the Review of Major Acquisitions, at page10.

(c) The principal activities of the Trust during the Financial Year were the long term ownership and improvement of shopping centres. There were no significant changes in the nature of those activities during the Financial Year.

(d) No matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect:

(i) the Trust's operation in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the Trust's state of affairs in future financial years.

(e) The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations, at pages 5 to 8.

Corporations Act 2001 (Cwlth) Section 300

(a) The following distributions were paid to Members during the Financial Year:

The distribution for the six months ended 31 December 2000, paid 28 February 2001 — $204.1 million

This was paid to Members:

- for units issued on 31 August 2000 under the Trust's Distribution Reinvestment Plan – 7.43 cents per unit
- for units issued on 31 August 2000 via a placement – 7.43 cents per unit
- for all other units – 11.14 cents per unit

The distribution for the six months ended 30 June 2001, paid 31 August 2001 — $214.0 million

This was paid to Members:

- for units issued on 28 February 2001 under the Trust's Distribution Reinvestment Plan – 7.61 cents per unit
- all other units – 11.42 cents per unit

(b) The following distributions were recommended or declared for payment to Members, but not paid, during the Financial Year:

The distribution for the six months ended 31 December 2001, paid 28 February 2002 — $219.2 million

This was paid to Members:

- for units issued on 31 August 2001 under the Trust's Distribution Reinvestment Plan – 7.67 cents per unit
- for units issued on 19 November 2001 via a placement – nil
- for all other units – 11.50 cents per unit

Directors' Report

(c) The names of the Directors of Westfield Management Limited and the relevant interests of each Director in the units in the Trust as at the date of this Report are shown below. There has been no change to the Board membership during or since the end of the Financial Year.

Director	Number of Units
F P Lowy, AC	11,047
D H Lowy	
P S Lowy	
S M Lowy	
R A Ferguson	–
D M Gonski	12,000
F G Hilmer, AO	–
S P Johns	–
D R Wills, AO	–
C M Zampatti, AM	–

(d) No options were:

(i) granted over unissued units in the Trust during or since the end of the Financial Year; or

(ii) granted to any of the Directors or officers of the Responsible Entity.

(e) No unissued units in the Trust were under option as at the date on which this Report is made.

(f) No units were issued in the Trust during or since the end of the Financial Year as a result of the exercise of an option over unissued units in the Trust.

(g) No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to any person who is or has been an officer of the Responsible Entity or auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Constitution and the Corporations Act 2001 (Cwlth), they remain fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

(h) $62.8 million in fees were paid/payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

(i) No units in the Trust were held by the Responsible Entity as at the end of the Financial Year. Associates of the Responsible Entity held 6,711,544 units as at the end of the Financial Year.

(j) Details of Units issued in the Trust during the Financial Year are set out in Note 8 on page 26.

(k) No withdrawals were made from the scheme during the Financial Year.

(l) Details of the value of the Trust's assets as at the end of the Financial Year and the basis for the valuation are set out in Notes 4 and 5 on pages 23 to 25.

(m) Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 8 on page 26.

(n) At the date of this report the Trust had an Audit and Compliance Committee of the Board of Directors of the Responsible Entity.

This Report is made in accordance with a resolution of the Board of Directors on 1 March 2002.

F P Lowy, AC
Chairman

S P Johns
Group Finance Director

Corporate Governance Statement

Westfield Management Limited is the Responsible Entity of Westfield Trust (**"Trust"**). Set out below is a statement of the main corporate governance practices which the Responsible Entity had in place with respect to the Trust during the financial year ended 31 December 2001.

The Board of Directors of Westfield Management Limited

The ultimate responsibility for corporate governance of the Responsible Entity resides with its Board of Directors. The Board comprises ten directors, six of whom are Non-Executive Directors. The Chairman of the Board is F P Lowy, AC, and the Deputy Chairmen are F G Hilmer, AO and D H Lowy.

It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the Trust's core activities, and Non-Executive Members who have outstanding track records and reputations attained at the highest levels of industry and who are able to bring to the Board a broad range of general commercial expertise and experience.

The membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of the Trust. The appointment of a new member to the Board is only made after consultation with, and consensus being achieved among, the Non-Executive Directors.

Full Board meetings are held at regular intervals with about ten regular meetings being held during a financial year and additional meetings being held if necessary. Directors are provided with Board reports containing sufficient information to enable informed discussion of all agenda items in advance of Board meetings. Any Non-Executive Director may, if that Director deems it necessary, seek independent legal advice on any matter connected with the performance of their duties. In such cases, the Responsible Entity will reimburse the reasonable costs of such advice. Directors are asked to notify the Company Secretary in advance of seeking such advice.

The procedures for establishing and reviewing the compensation arrangements for the Responsible Entity are specified in the Constitution of the Trust.

The names of the Directors of the Responsible Entity in office at the date of this statement are set out on page 16.

The Board has established an Audit and Compliance Committee and a Compliance Committee to assist it in discharging its responsibilities. These committees are described below.

Audit and Compliance Committee

The Audit and Compliance Committee comprises two Non-Executive Directors of the Responsible Entity, namely:

F G Hilmer, AO (Chairman)	Non-Executive Director
D M Gonski	Non-Executive Director

The primary function of the Audit and Compliance Committee is to ensure that an effective internal control framework exists through the establishment and maintenance of adequate internal controls to safeguard the assets of the Trust and to ensure the integrity and reliability of financial and management reporting systems.

The Audit and Compliance Committee:

- reviews and reports to the Board on the half-yearly and annual reports and Financial Statements of the Trust;
- is responsible for nominating the external auditor and reviewing the adequacy, scope and quality of the annual statutory audit and half yearly statutory audit review;
- reviews the effectiveness of the internal control environment, including the effectiveness of internal control procedures;
- monitors and reviews the reliability of financial reporting;
- monitors and reviews the compliance of the Responsible Entity with the Trust's Constitution and applicable laws and regulations;
- determines the scope of the internal audit function to ensure that its resources are adequate and effectively used, including the co-ordination of the internal and external audit functions;
- monitors the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Trust.

The Audit and Compliance Committee has accepted as a matter of principle that the Responsible Entity should have in place an adequate compliance and control framework based upon appropriate written procedures, policies and guidelines to enable the areas of legal risk to the Trust to be identified and appropriately reacted to and to ensure that members of staff are informed as to those areas of material legal risk relevant to the operational activities in which they were engaged.

Corporate Governance Statement

Compliance Committee officers have been appointed for the Trust and are responsible for reviewing and monitoring the efficacy of compliance systems on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities, and to report to the Audit and Compliance Committee on the operation of compliance procedures.

The Audit and Compliance Committee meets with the external auditors at least twice a year and more frequently if required. The internal and external auditors have a direct line of communication at any time to either the Chairman of the Audit and Compliance Committee or the Chairman of the Board.

The Audit and Compliance Committee reports to the full Board after each committee meeting.

Compliance Committee

Under the managed investment regime, the Responsible Entity is required to register a Compliance Plan with the Australian Securities & Investments Commission. The Compliance Plan outlines the measures which are to be applied by the Responsible Entity to ensure compliance with the Corporations Act 2001 (Cwlth) and the Trust's Constitution.

The Compliance Committee is responsible for monitoring Westfield's compliance with the Compliance Plan and report on its findings to the Board.

The Compliance Committee comprises two External Members and one Executive Director of the Responsible Entity, namely:

J B Studdy, AM (Chairman)	External Member
M J Braham	External Member
S P Johns	

On 21 September 2001 M J Braham was appointed to the Committee to replace G T Forster.

The Compliance Committee reports to the full Board after each Compliance Committee meeting and otherwise as required.

Stock Exchange Information

Twenty largest Ordinary Members as at 14 February 2002

The percentage of the total holding of the 20 largest Ordinary Members in the Trust is 68.56% as at 14 February 2002.

		Number of Ordinary Units	% of Issued Ordinary Units
1	National Nominees Limited	228,215,295	11.54%
2	Chase Manhattan Nominees Limited	201,168,725	10.17%
3	Westpac Custodian Nominees Limited	199,222,325	10.07%
4	Citicorp Nominees Pty Limited	87,162,298	4.41%
5	RBC Global Services Australia Nominees Pty Limited	78,592,691	3.97%
6	Commonwealth Custodial Services Limited	71,710,703	3.63%
7	MLC Limited	59,339,620	3.00%
8	Cogent Nominees Pty Limited	57,224,779	2.89%
9	Cogent Nominees Pty Limited	48,982,257	2.48%
10	AMP Life Limited	48,793,729	2.47%
11	Queensland Investment Corporation	46,746,440	2.36%
12	Gausta Trustee B V	41,666,667	2.11%
13	RBC Global Services Australia Nominees Pty Limited	37,426,702	1.89%
14	HSBC Custody Nominees (Australia) Limited	26,063,974	1.32%
15	RBC Global Services Australia Nominees Pty Limited	24,871,970	1.26%
16	Bond Street Custodians Limited	24,861,354	1.26%
17	ING Life Limited	19,932,851	1.01%
18	Westpac Financial Services Limited	19,917,856	1.01%
19	MLC Lifetime Company Limited	17,068,246	0.86%
20	Citicorp Nominees Pty Limited	16,852,876	0.85%
		1,355,821,358	68.56%

Distribution Schedule as at 14 February 2002

Holding	Number of Members
1–1,000	5,068
1,001–5,000	18,698
5,001–10,000	10,035
10,001–100,000	7,498
100,001 and over	301
Total number of Ordinary Members	41,600

Voting rights for each class – At a meeting of Members, on a show of hands every Member who is present in person or by proxy (and who is not otherwise disentitled from voting) has one vote and on a poll every such Member has one vote for each dollar of the value of their total holding in the Trust.

As at 14 February 2002, 1,565 Members hold less than a marketable parcel of quoted securities.

Substantial Holders

The names of the Trust's substantial holders and the number of ordinary units in which each has a relevant interest as disclosed in substantial holder notices given to the Trust are as follows:

	Number of Ordinary Units
National Australia Bank Limited	150,610,250
AMP Limited	147,498,949
Deutsche Australia Limited	120,594,322
Lend Lease Corporation Limited	112,904,681

Directory

Westfield Trust

ABN 55 191 750 378
ARSN 090 849 746

Responsible Entity

Westfield Management Limited
ABN 41 001 670 579

Registered Office

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone +61 2 9358 7466
Facsimile +61 2 9358 7881

Directors of Westfield Management Limited

Frank P Lowy, AC, Chairman
Frederick G Hilmer, AO, Deputy Chairman
David H Lowy, Deputy Chairman
Robert A Ferguson
David M Gonski
Stephen P Johns
Peter S Lowy
Steven M Lowy
Dean R Wills, AO
Carla M Zampatti, AM

Compliance Committee

John B Studdy, AM, Chairman
Michael J Braham
Stephen P Johns

Secretary

George T Forster

Director of Funds Management

Victor P Hoog Antink

Trust Manager

Steven Petrohilos

Custodian

Perpetual Nominees Limited
39 Hunter Street
Sydney NSW 2000

Auditors

Ernst & Young
The Ernst & Young Building
321 Kent St
Sydney NSW 2000

Investor Information

Westfield Management Limited
Level 24, Westfield Towers
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Sydney NSW 2011
Telephone +61 2 9358 7466
Free Call 1800 222 242
Free Call 1800 222 242
Email trust@westfield.com.au

Principal Unit Registry

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Sydney NSW 1115
Telephone +61 2 8234 5300
Enquiries 1300 132 211
Facsimile +61 2 8234 5050
Email westfield@computershare.com.au
Website computershare.com

Branch Unit Registry

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Adelaide SA 5000

Computershare Investor Services Pty Limited
Level 27, Central Plaza One
345 Queen Street
Brisbane QLD 4000

Computershare Investor Services Pty Limited
c/- Ernst & Young
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Canberra ACT 2601

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Melbourne VIC 3000

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Computershare Investor Services Pty Limited
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Listings

Australian Stock Exchange – WFT
New Zealand Stock Exchange – WFT

Website

westfield.com

westfield.com